

I know that the rates in force here are much lower than those in British India. They are more or less on a par with those obtaining in other Indian States. The taxable limit has been put at Rs. 2,000 because the principle of the tax is that the rich should be taxed and not the poor who get just enough to live. It is the people who can save that are expected to contribute towards the tax.

You next spoke of the inconvenience of basing the assessment for this year on the previous year's earning. If you could suggest a better method, that would be considered. If the tax is to be based on this year's income, the income will have to be estimated before the year ends and that estimate is likely to be less approximate than the one based on the actual income of last year. A rebate will be given and an adjustment will be made when the year's income can be accurately fixed.

You then referred to the difficulty of keeping accounts. I do not think that the Regulation prescribes any particular form of accounts to be maintained by merchants. But the return has to be in some form. If there are minor difficulties, they will be remedied. It is for that purpose that a senior officer has been selected and appointed as Income-tax Commissioner. He will do the needful to prevent unnecessary hardship and to educate the people and the officers in the matter.

Your next point was with reference to bad debts. This has been considered over and over again in regard to the administration of the tax in other places, and it has been decided over and over again that bad debts cannot be set off until they have been actually written off the accounts. Until every resource has been exhausted and the amount has been actually written off, you cannot say that a debt is a bad debt.

Lastly, I am afraid you are not doing justice to the superior officers in the State service when you say that they are drawing more travelling allowances than they ought to get.

16. Exemption of the tax-free lands of Jenmies from the operation of the Income-tax Regulation.

Mr. Devan Krishnaru (Member, Jenmi, Quilon Division) objected to the imposition of income-tax on the income accruing from tax-free lands belonging to Jenmies. He said that, in ancient times, the Jenmies owned vast areas of tax-free or *thanathu* lands, but that, in course of time, they alienated most of their lands, retaining only a few *thanathu* lands. He added that the Jenmom lands had all along been allowed to be enjoyed by the Jenmies free from all interference in the same way as ordinary assessed lands. While, therefore, the latter had not to pay income-tax, there was no justification for the *thanathu* lands alone being made liable for the tax. He stated further that a Jenmi owed his position and status to his ownership of tax-free (Jenmom) lands, however small in extent, and that the imposition of income-tax on those lands would tend to detract from the prestige of the Jenmies and might, in course of time, be the cause of wiping off the name "Jenmi". The income-tax on *thanathu* lands would in many cases be greater than the land-tax and that circumstance would, by itself, tempt them to alienate their Jenmom lands and thus escape from the income-tax. The Member, therefore, requested that all the above circumstances be taken into consideration and that the income of the tax-free lands belonging to the Jenmies might be wholly exempted from liability to income-tax.

Dewan's reply.—The point you have raised has been considered already. The principle is that land which is totally exempted from land revenue must pay income-tax. What has been exempted by the Income-tax Regulation from tax under it is land revenue. That is the interpretation that has been put upon it in other places also, so far as I am aware. As the Income-tax Commissioner says that the extent of *thanathu* lands that the Jenmies still hold is very small, the income which is derivable from them will be liable to income-tax only if, along with the Jenmi's other income, it exceeds the taxable limit of Rs. 2,000, and as the rate of tax for Rs. 2,000 and below Rs. 5,000 is ten *cash* in the rupee, the income-tax to

be paid will be a very small amount. If the assessee is a large Jenmi and his total income is large, then the rate of tax on his total income might be higher than 10 cash per rupee, but such a Jenmi ought not to grudge to contribute his due quota to the revenues of the State. The principle is that *jennom thanathu* land is exempt from land-tax alone and not from any other taxes or cesses.

(2) FOREST.

17. Forest Administration.

Mr. R. Narayana Pillai (Member, Vilavankod Taluk) in speaking on the subject of forest administration in general, dwelt at length on the following points :—

Reserved forests.—The Member observed that the area of reserved forests in the State at the end of 1096 stood at 2,387 square miles, while there were only 1,433 square miles of reserved forests in 1068 and 2,245 square miles in 1081. Side by side with increased reservation, lands within reserves were also being assigned to outsiders for tea cultivation in preference to the claims of the natives of the soil. The wholesome rule which prevailed till a few years ago requiring all foreigners, European or American, to get the permission of Government to acquire property in the State was abrogated, and a good portion of the lands included in reserves was registered away in the names of foreigners in spite of the protests of the Conservator of Forests and, in consequence, additional lands were included under reserves to make up for such registries. In the interests of the growing population of the State it was imperatively necessary to check the tendency for increased reservation and the assignment of lands to outsiders.

Grazing grounds.—Cattle and grazing grounds were important from the stand-point of agriculture and their importance had been recognised and even emphasised by Government in their Proceedings No. 3142/S. R., dated the 1st July, 1907. Nevertheless, much land fit for grazing had subsequently been brought under registry, while lands ostensibly set apart and preserved as grazing grounds for cattle were quite useless for the purpose, either because they were situated at long distances from the villages intended to be served or were mostly rocky or devoid of any tree-growth or even grass. In these circumstances, the Member apprehended that the situation would become very grave when the few available cattle *porambokes* in the various Divisions were also brought under registry in pursuance of the recent orders of the Government conveyed in their Review of the Administration Report of the Forest Department for 1096.

Firewood.—The Member then referred to the abolition of the Government Fuel Depôts at Trivandrum, Nagercoil, Thuckalai and Darsanamcope, and stated that their abolition was a retrograde measure, inasmuch as during the period of their existence they had served to regulate the market price of fuel and bring the thing within the easy reach of all. Now that those depôts had been abolished and firewood was getting scarce in the country, green leaf manure trees were being largely cut down for fuel and this was bound eventually to tell on agriculture. The only other alternative was to procure fuel from private registered holdings under cover of free passes issued by the Forest Department. But that course was also beset with difficulties. With a view to overcome all those difficulties, the Member suggested that sales of fuel from Government depôts might be revived and continued as before. He also suggested that the Free Pass Rules might be modified, limiting the need for passes to fuel from private holdings lying contiguous to or adjoining reserved forests which had necessarily to pass through watch stations on the route and dispensing with passes for the transport of fuel from private holdings within the plains.

Free pass for timber, etc.—In regard to this, the Member said that no facilities had been afforded in the matter of obtaining free passes for private timber in spite of repeated representations at previous sessions of the Assembly and that